

Innovation Forum 2009 - A synthesis

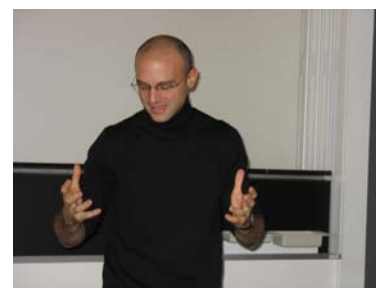
The Innovation Forum took place on November 18, 2009, during the 4th EPFL Innovation Day. We had decided to organize a debate about “Mentoring, Business Angels, Proximity to the Industry: How Can We Further Help Our Entrepreneurs?” This was linked to the fact that the A3 (EPFL alumni) is developing a mentoring and angel group.



The participants to the round table were:

- **Sherwin Greenblatt**, director, MIT Venture Mentoring Service – web.mit.edu/vms
- **Pedro Bados**, founder & CEO, Nextthink - www.nextthink.com
- **Claude Florin**, founder, EPFL A3 Angels and Hewlett Packard – a3.epfl.ch
- **Jean-Philippe Lallemand**, director, PSE - www.parc-scientifique.ch

Appendix 1 gives a short bio of the 4 speakers.



The forum began with 9 elevator pitches of entrepreneurs followed by a short presentation which are attached in appendix 2. The minutes, built from notes taken by Pierre Ihmle (VPIV) and Corine Zuber (SRI), are attached in appendix 3. In appendix 4 are the slides on the MIT VMS programme.

Appendix 1- Speakers' short bio



Sherwin Greenblatt left MIT in 1964 with two electrical-engineering degrees and a penchant for business. Within months, he joined his former professor Amar Bose '51, SM '52, ScD '56, as the first employee of the legendary Bose Corporation. After starting as a project engineer, Greenblatt rose to become president, a title he held for 15 years. By the time he left, the corporation had grown to some 7,500 employees. In 2002 Greenblatt retired from Bose and, on advice from a colleague, started volunteering with MIT's Venture Mentoring Service (VMS). At President Susan Hockfield's request,

he served as interim executive vice president of the Institute from 2005 to 2007 and as interim executive vice president and CEO of the Alumni Association from August 2008 to August 2009.



Jean-Philippe Lallement holds master degrees in IT / telecoms from Ecole Polytechnique and Telecom Paris in France, and an MBA from Insead. He started his career in management consulting with McKinsey & Co and in investment banking with a subsidiary of Crédit Agricole, then moved into corporate strategy and general management of worldwide business units at SITA, the global leader of telecommunication and IT services to the air-transport industry. In 2001 Jean-Philippe co-founded an innovative high tech company providing online monitoring solutions for industrial equipment, a permanent

health-check of critical industrial installations used by a dozen multinational corporations. The company received several innovation awards and raised over 5 million Euros in funding. From mid 2006, Jean-Philippe began advising innovative start-up companies in France and Switzerland on their business models, strategic partnerships and fund-raising processes. He is the Managing Director of the EPFL Science Park Foundation (PSE) near Lausanne, the Chairman of Prediggo SA and a CTI Start-up coach.



Pedro Bados, Co-founder and CEO, Nextthink. Pedro brings his inspiration and vision to lead the organization and enable NEXThink to deliver unique and powerful solutions to the market. Pedro is responsible for the market and product strategy, including the company's technology innovation. He is the author of a patent on behavior modeling that is part of NEXThink's core technology. Pedro holds a MS in Electrical Engineering and Computer Science from EPFL, Switzerland and Universidad de Zaragoza, Spain. Pedro replaced at the last minute, Philippe Eyries, chairman of Nextthink.



Claude Florin is Marketing Manager at HP's Communications and media solutions. Florin joined HP in 1982. Earlier, he founded AsOne music concerts y, with an audience of 40'000 in Switzerland. He worked in TV production at Videowest in San Francisco. Florin holds an MSEE degree from the EPFL, Switzerland. He is member of IEEE Communications Society, board member of the A3 Angels venture fund. He blogs at <http://cflorin.blogspot.com>



Appendix 2 – Introductory Slides.

"Mentoring, Business Angels, Proximity to the Industry: How Can We Further Help Our Entrepreneurs?"

**Forum de L'innovation
November 18, 2009**



Agenda

Elevator Pitches

Roundtable



Aleva Neurotherapeutics SA

André Mercanzini, PhD

Co-founder and CTO

andre@aleva-neuro.com

t: +41 77 252 2402



Aleva's intelligent implants provide:

- Provide faster, safer, more cost effective surgeries
- Enable new therapies for untreatable conditions





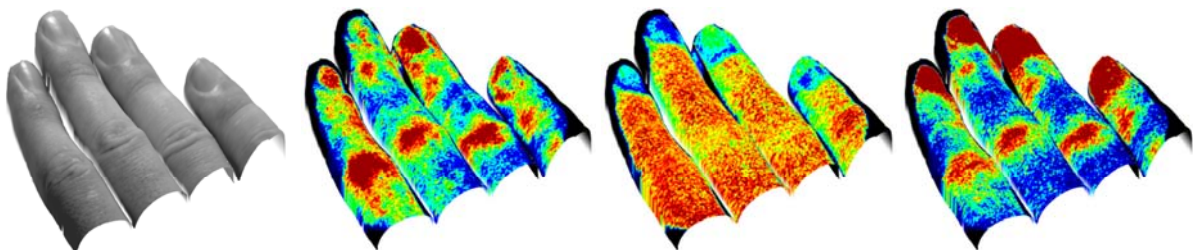
Visualizing Microcirculation

Contactless, non-invasive & real-time...

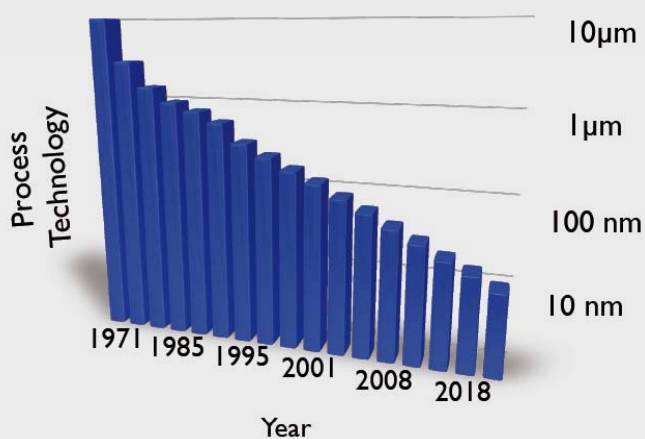
Example: **Intensive Care**

- Predict organ failure → reduce mortality & cost-of-care
- Equip 40% of ICU beds → market size CHF 800m

Now closing first round. Market entry in summer 2010.



Problem



high space resolution



high time resolution

Our Solution

Attolight Measurement Tool

- Proven technology
- Patented

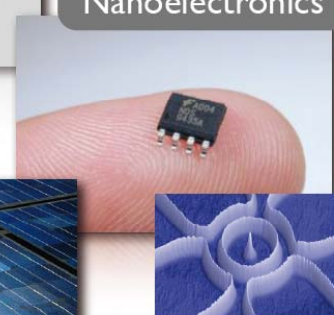


Applications

LED quality test



Nanoelectronics



Photovoltaics



Contact

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www.attolight.com

DB4ALL

DB4ALL



ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE



DATABASES LABORATORY

Reliable and cost-efficient web data collection solutions

- Marketing studies and monitoring competitors
- Find influential people in social networks
- Data aggregators (e.g. product comparator websites)
- Get datasets for scientific experiments
- Web data migration



<http://db4all.com/>

David.Portabella@db4all.com



DOXOLO

Target Market: Financial Institutes and Traders.

DOXOLO

Current Status

```
My Installation\Gord\Products\opt Files\Setup.rul Top Line : 156
begin
  str = "Setup running setup app by attaching to process in
  width = 50
  difFunction = "InstallDLL";
  difName = "DOXOLO";
  difPath = "%112_StackProg-411";
  Dif_Stage:
    // Messagebox of Dialog Label
  Dif_StageName:
    @Result = DialogBoxFromResource();
    IF (@Result = 0) THEN goto Dif_Stack;
  Dif_InstallPath:
    @Result = DialogBoxFromResource();
    IF (@Result = -1) THEN
      Messagebox("Could not load the status dll. Make sure
      2070904700);
    return -1;
end
```

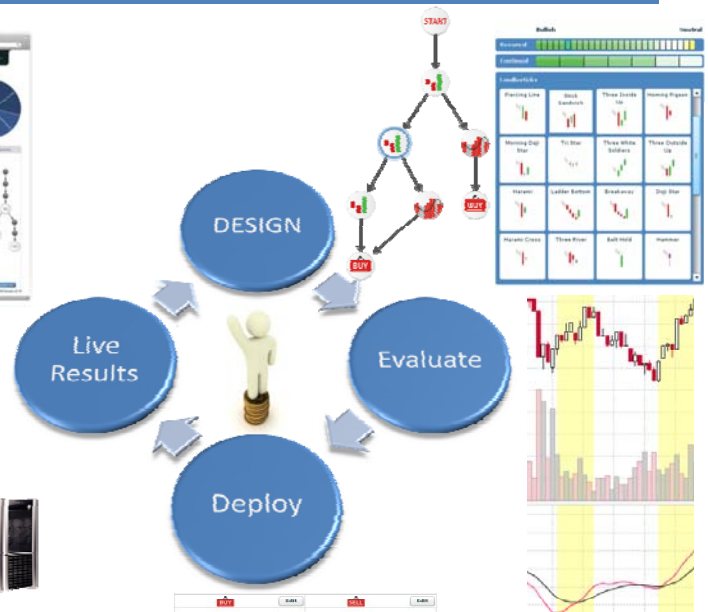
Time Consuming.
Required:
• Training
• Programming



Portfolio at **RISK**.
Limits Performance.
Costly and Timely !



Our Product



Strategy = Buy plan+ Sell plan



Barbara Yersin
co-founder & CEO

<http://minsh.net>

barbara@minsh.net

ozwe

...

No Mouse, No Keyboard, Just simple gestures.
More info and videos on www.ozwe.com

ozwe

...



Agenda

Elevator Pitches

Roundtable

"Mentoring, Business Angels, Proximity to the Industry:
How Can We Further Help Our Entrepreneurs?"



Sherwin Greenblatt, MIT Venture Mentoring Service



Jean-Philippe Lallement, PSE



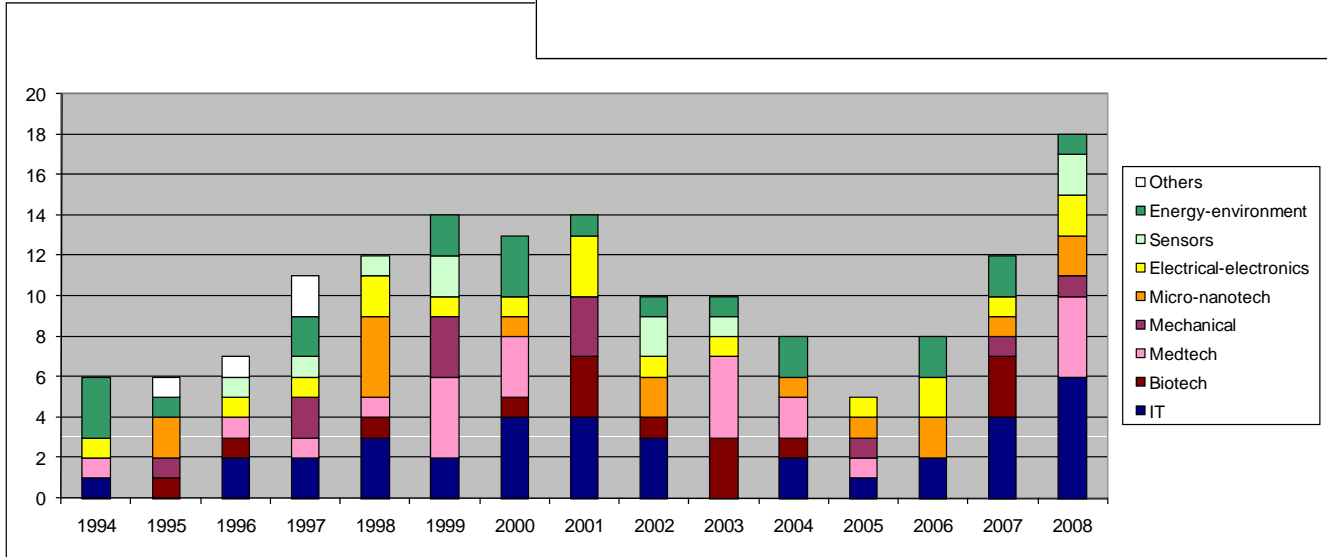
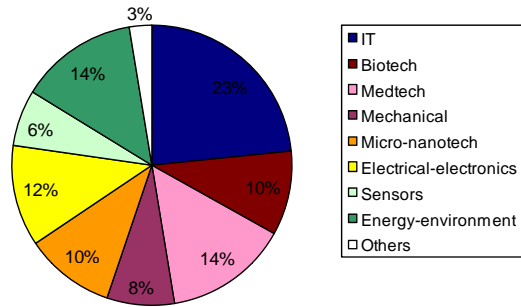
Claude Florin, EPFL A3 Angels



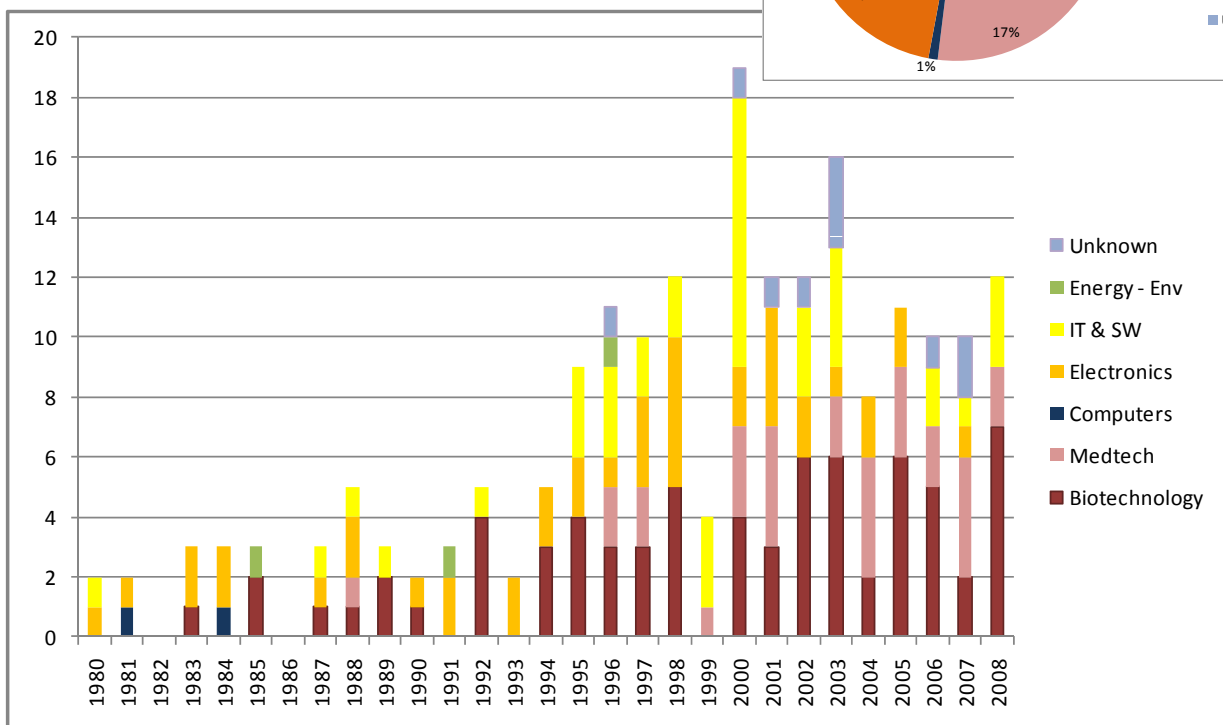
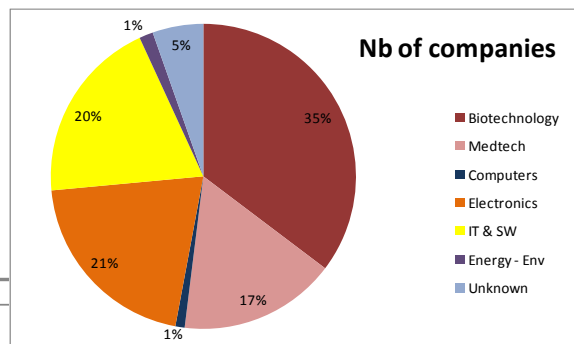
~~Philippe Eyries~~, Nextthink
Pedro Bados



EPFL Spin-Offs



Stanford Spin-Offs



EPFL & high-growth

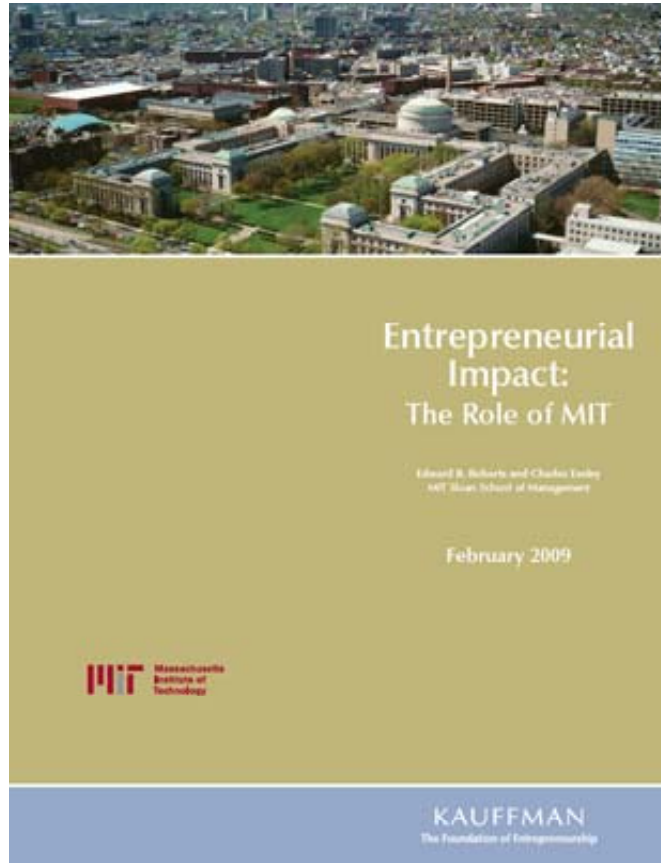
Company	Founded	VCs	Amount raised
Snaketech	1997	Auriga, Innovacom, Sudinnova	€2M
Cytion	1997	Banexi	CHF 5M
Endoart	1998	Sofinnova, VI, Vinci	CHF 31M
Dartfish	1998	Vinci, Intel	CHF12M+
IR Micro	1999	VI	CHF4M
Xitact	2000	Nextech	CHF9M
Omnisens	2000	Vinci	CHF6M
BeamExpress	2001	Index, Oak	\$20M+
Covalys	2002	BVGroup, VI, Novartis	CHF5M
Innovative Silicon	2002	Index, Austin, Highland, Auriga, Wellington	\$47M
Sensimed	2003	Wellington, Vinci	CHF8M
HPL	2004	VI, DFJ ePlanet, BankInvest	CHF8M
NEXThink	2004	VI, Auriga	CHF7.5M
G24 (UK)	2006	Morgan Stanley	\$20M+
Biocartis	2007	Advent, KBC, Aescap	CHF15M

- More than CHF200M raised with venture capital (but no data on BAs)
- Entrepreneurial alumni

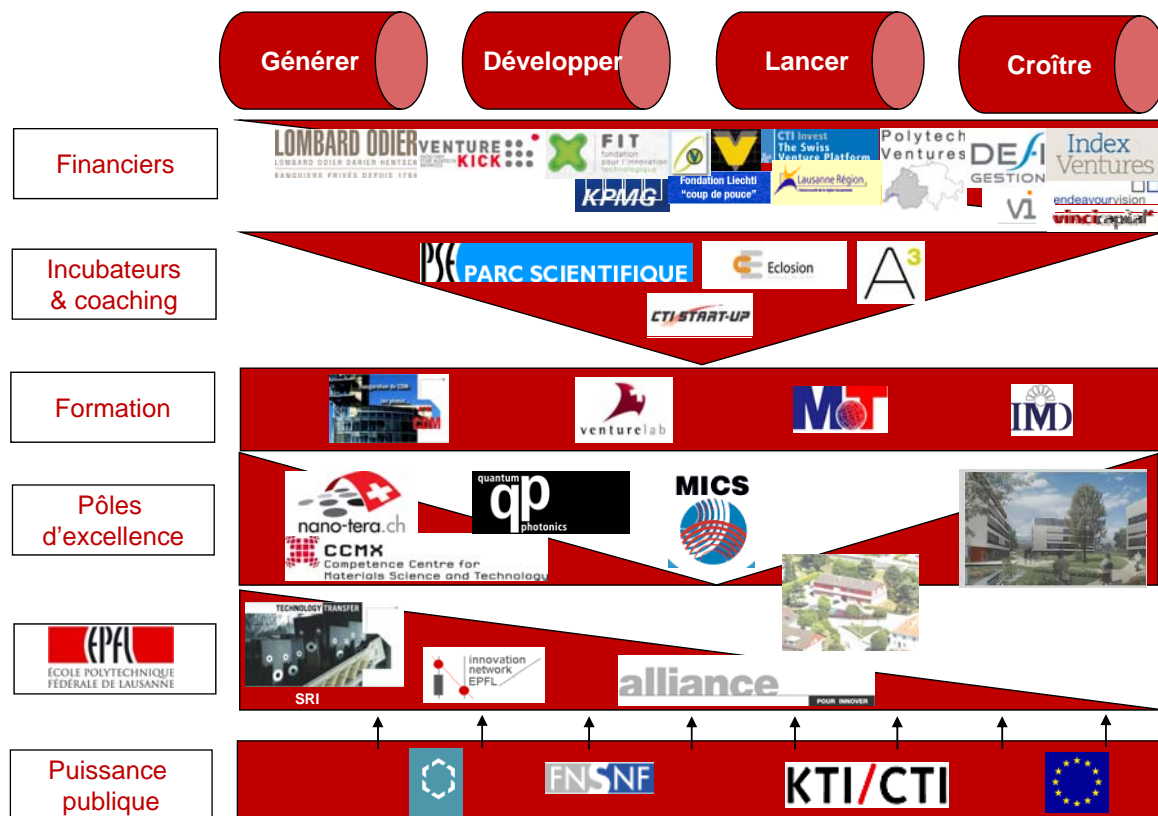


Stanford & high-growth

	VC (\$M)	M&A (\$M)	Public (\$M)	Sales (\$M)	Jobs
Stanford Start-Ups	2'969	8'214	307'136	65'410	105'281
1991 Study (not including licenses)	1'842	75'406	185'175	171'579	454'082
WellSpring of Innovation (tech. only)	27'188	173'266	183'615	111'733	401'658
Total-Tech	31'998	256'886	675'926	348'722	961'021
(non tech)	272	11'892	154'413	46'348	204'895
Total	32'270	268'778	830'339	395'070	1'165'916
Top 5 (tech)	1'719	75'800	445'000	115'661	603'528
Top 10	2'794	110'200	497'010	145'377	680'087
Top 20	4'532	148'800	564'040	173'645	762'618
Top 50	8'379	194'772	626'037	199'502	872'731
Top 5	5%	30%	66%	33%	63%
Top 10	9%	43%	74%	42%	71%
Top 20	14%	58%	83%	50%	79%
Top 50	26%	76%	93%	57%	91%



EPFL Ecosystem



What are we missing?

« La seule réponse que je puisse avancer c'est la différence culturelle entre les Etats-Unis et la Suisse. Lorsque nous avons créé Logitech, en tant qu'entrepreneurs suisses, nous avons dû jouer très tôt la carte de l'internationalisation. La technologie était suisse, mais les Etats-Unis, et plus tard le monde, ont défini notre marché, alors que la production est vite devenue asiatique. Je m'en voudrais de faire un schéma définitif parce que je pense que beaucoup de choses évoluent et que beaucoup de choses bien se font en Suisse. Mais il me semble qu'aux Etats-Unis, les gens sont davantage ouverts. Lorsque vous obtenez les fonds de Venture capitalists, automatiquement vous acceptez un actionnaire extérieur qui va vous aider à diriger votre société, et peut-être vous mettre à la porte. En Suisse, cette vision est assez peu acceptée: on préfère un petit gâteau que l'on contrôle complètement qu'un gros gâteau que l'on contrôle seulement à 10% ce qui peut être un facteur limitatif. »

Source: Daniel Borel. Nov. 16, 2009

<http://www.largeur.com/?p=3016>

What are we missing?

Access **industry / market** ?

Market knowledge

Customer needs

Access **a team** ?

it is about hiring key people?

What about founder as CEO?

Access **international** ?

Swiss market is small, USA and Asia become central

Access **financial resources** ?

Venture Capitalists are not always appreciated...

Access **role models / mentors** ?

Is this a culture issue?

i.e. push out of comfort zone

Appendix 3 – the forum’s minutes

Compiled from Pierre Ihmle’s and Corine Zuber’s notes.

After the introductory slides, Sherwin Greenblatt (SG) was asked to react on what he has discovered from EPFL since he arrived the previous day as well as from the slides. “I am **very impressed**, there is much more at EPFL than in many US universities. You should not be too pessimistic! No ecosystem is perfect, and you should focus on the good things. An important element I’d like to advise is that you should **CELEBRATE** the good things. There are also opportunities with the students; you need to help them, with the right structure. With time, it will work. The strengths at MIT are exposure to entrepreneurship from the beginning and students initiatives (student business clubs for engineers). Entrepreneurship should be seen about a “**contact sport**”, it is about people and exposure.

Jean-Philippe Lallement (JPL) added that maybe one of weaknesses is our **low failure rate**. It is both good and bad as we keep our jobs locally, but maybe the system is **too egalitarian**. A lot of companies just survive. The system creates a lot of small and medium size companies. Anyone can grasp 200kCHF. There is nothing specific for high flyers, and we should have another level for **high flyers**, like assisting in internationalization. Should just the VCs take care of the high flyers? JPL thinks EPFL should support high flyers differently. Also we may miss **high-level people** who do not help enough. We have these people but they are not around start-ups. In addition, we may not have enough **role models** and the interaction with the (international) venture capitalists (VCs) may be not good enough.



Claude Florin (CF) believes we need three things: **money, interactions** and **celebration**. So with the EPFL **alumni** association (A3), he is building a business angel group, a mentoring group and the first alumni award has been given this year. Also some angels claim these investments are too risky, so they may have to be calibrated to what people are ready to lose. Claude added that we should say “let’s have fun with start-ups”. The CTI invest association is very well organized, but we also need party places, bars, **put life in the system**, put some animation. Claude was struck at a CTI meeting in

Bern when 2 PSE entrepreneurs met and had never met before locally. Adrienne Corboud (EPFL's VPIV) reacted in saying such "happy hour" events are now being launched at PSE.

Pedro Bados (PB) began by saying that this entire ecosystem was not as developed when he founded Nexthink in 2005. So things are improving and are **much better**. Money, contacts were much difficult to get. Pedro added that one critical element is that if entrepreneurs cannot **sell locally**, how and why they will be able to sell in the USA. We have in Switzerland big companies (Credit Suisse, UBS) and they should be the first buyers. So our entrepreneurs need to (learn how to) sell to big companies. SG reacted to a question on selling from MIT and said that mentors facilitate but do not do, they do not sell, they advise. In the mentoring process, selling will be a key point, but entrepreneurs have to sell. Contacts with alumni extend the network, give access to the friends of C and Y and the network effect helps in selling. Finally Pedro added that free money may be dangerous, too comfortable!



PB added that to go from Business Angels (BAs) to VCs, you need a big deal. CF confirmed that international VCs work with HP so that their portfolio companies can access HP for their sales. Marc Gandar (Alliance) described this as a **catch 22** situation. Without sales, no investor; but without investor, no resources for product development and sales. Many early entrepreneurs do not have the know-how to close a deal. Someone should teach or at least show them how to close a deal. "Make a contact, close a deal" is a difficult process. SG said that the mentors help in structuring a "clean deal", help in preparing entrepreneurs through "sales 101" seminars. One person in the audience said the product is often immature to be of interest. Or maybe at least do not have the features customers who like to see. No product has to be 100% ready, but listening to customer needs will help in the selling process.

Philippe Eyries (Nexthink) who should have been at the round table has a concept he would like to develop and he has the EPFL support to explore and develop it: FFC (**Find First Customers**) may become a project where professionals of the high tech industries would be mandated by investors to help early entrepreneurs in the **closing their first real "big deal"**. With such a small (seed) investment, investors may become comfortable with the potential of the product and then further invest. This concept would break the catch 22 situation described. EPFL is attracted by the concept and will support it.

PB thought the **EPFL brand** may help in this selling process. SG noticed that using the MIT name is forbidden, though entrepreneurs obviously mention their MIT affiliation. All agreed that many teams are too far from selling. CF noted that organizing "sales 101" workshops may become an action item. Barbara Yersin (Minsh) confirmed she would go to such sessions.

Jean-Claude Charlier (BeamExpress) mentioned that we have through the CTI-label process a good tool to help entrepreneurs. A **professional coach** is helping the entrepreneur with all aspects of business planning. SG reacted by saying that mentoring is not one coach, but a **team of mentors**. 3 mentors will give six ideas and one coach always creates the risk of an exclusive relation. You must avoid the biased advice, the “guru” attitude. A young inexperienced entrepreneur would always follow his mentor like a guru. The MIT mentoring service discovered that one mentor only good give bad advice and nobody would know whereas an entrepreneur with a team of mentors may challenge one’s advice with others. It is always difficult to make decisions with imperfect information, and entrepreneurs learn to make such decisions thanks to many advice. It is a way to control bad advice. **The team is the self-correcting tool.**



Gabriel Clerc (SRI) mentioned that many companies do not take off because of the lack of team. The mentors should help to build a team. Frédéric Kaplan (Ozwe) also asked about the need of a **complementary team**. He has teamed up with an industrial designer. He has also discovered after founding Ozwe that the sell process is a full-time activity. How can you combine technical activity with a **full-time selling** activity? How to find a salesman? PB asked him what he wants to do in his company. If he does not want to do sales, he is right to find a salesman but it is a case-by-case situation. Some founders will agree to do full-time selling. Pedro added that the 1st sale is done by the founder, because you do not sell your product the first time, **you sell yourself**.

Claude remembers that when he visited MIT, Ken Morse was saying in sales 101 courses that “engineers should **not consider sales people as a lower form of life**”. Founders need to share success with sales guys, including giving equity. Also engineers should know that there is no need for a perfect product to demo to a customer; when 1/3 of the demo is ready, sales people should be considered for the company development. When the product is ready, it might be too late. JPL

however mentioned that we do not have in the EPFL area a pool of sales people ready to join start-ups. So there is a need to **share with others** when building a company.

Jordi Montserrat (venturelab) said “we may have too much respect for entrepreneurs. They build small companies slowly. In the USA, there is a pressure for execution and growth. So **how far should we support?** Should not we put milestones that if not achieved induce stopping the support?” SG reacted in saying that indeed mentoring stops when entrepreneurs do not move at a reasonable pace but the mentoring service is not necessarily as disciplined as with milestones. Development is not linear, there are ups and downs. Too much discipline, too tough milestones may be dangerous.

SG added that **abundance is good**. It is the critical mass which at some point will statistically imply great success stories. Jean Micol (MOT) thinks that we do not have enough students interested in entrepreneurship; hence not the critical mass. Shouldn't we have clubs, associations related to the topic. SG is convinced that **exposure** to entrepreneurship should begin very early, certainly at the Bachelor level because it is too late if you discover the start-up world during your PhD. It is a continuum, you learn about it, even before you think about it, even before you have an idea. “**The environment should make entrepreneurship the norm**”. CF confirmed that David Portabella (DB4all) has told him he had no desire to do a start-up when starting his PhD. Claude also remembers he did his own (non-tech) company with revenues of CHF5M (and did not tell his employer!). Jean Micol confirmed that there is “no born entrepreneur, no born salesman, it can be taught”. Taught or Learnt? Like biking, swimming, entrepreneurship is learnt by doing.



Karin Jestin (Lombard Odier) mentioned her bank interest in Innogrants (they are the sponsors) but also mentoring so she asked SG about the **key factors to be a successful mentor**. SG said “**just keep doing it**”. He added that the mentoring should be good for everyone, the mentee and the mentor, everyone learns, wins from it. This is the critical factor for success. It is not only about specific skills.

However not everyone should be a mentor. There has to be some filtering, some exclusivity, some quality control, and mentors also feel they belong to selected group. They belong to a closed group. MIT VMS does not accept everybody. One key point is that there should be a social benefit in sharing success. But there are also ethics and a strict policy. Conflicts of interest should be avoided. Mentors cannot be at the same time investors, consultants, service providers for the entrepreneurs. There is a process, there may change their role, but then will quit their mentoring role with the entrepreneur. CF adds that at the A3, mentors give feedback, an honest feedback to entrepreneurs, which other actors may not give. So it is not about being a specialist. Some may have special skills, for example in law, accounting, IP. Also hiring is very difficult for founders, and they may need HR experts. Other types of help might be scrub the pitch, act as a difficult customer, introducing to the right people, to make sure they will have the right hearing. But again entrepreneurs should do the job. Some mentors have big company experience and not start-up experience. No mentor will have know-how in all dimensions. This is also why you need a team of mentors. Finally mentors need to commit one or two days per month. It does not have to be 8 hours in a row, but it is the order of magnitude.

Matthew Simmons (IMD) asked about the role of **business schools**. SG does not believe many ventures come from business schools; mostly are engineering. CF noticed however that in business plan competitions, MBA students add value. IMD provides such support with high-quality students who have business experience.

On the ecosystem, a comment was that all actors should be aware of the ecosystem players. [It should be mentioned that the VPIV web site gives such a document with the list of all actors:
<http://vpiv.epfl.ch/webdav/site/vpiv/shared/vpiv/pdf/Innovation-around-EPFL.pdf>]

A final discussion came back on survival rate as it was noticed that it is more about 15% survival rate in the USA vs. 70% here around EPFL. IS it good or bad? It may look good, but one of the reasons is that we have a lot of support (Innogrants, venturekick, awards, CTI support). SG mentioned that the VMS is not providing money. There should be some Darwinian selection, and Americans are known to prefer to “fail fast” and not survive for ever if there is no real future.

As a closing word, not a conclusion, the interview of Daniel Borel (dated Nov. 16) was mentioned and can be found in the introductory slides.



Appendix 4- MIT VMS programme

Fostering Innovation: *Bridging Academia and Industry at MIT*



VMS
2009

© MIT Venture Mentoring Service 2009

1

MIT Venture Mentoring Service **(VMS)**

VMS is an educational program for aspiring entrepreneurs from the MIT community. The program is driven by a group of volunteer mentors willing to share their significant business experiences.

2

VMS History

- Founded in 2000
- Alec Dingee and Dave Staelin
- > 1,200 entrepreneurs served
- > 700 ventures served
- > \$600 million raised by ventures

09/09

3

Mission of VMS

- Supports entrepreneurial activities within the MIT community
- Furthers the educational mission of MIT
- Strengthens MIT's role as a world leader in innovation
- Broadens MIT's base of potential support

4

VMS Goals

- Educate aspiring entrepreneurs about the venture creation process
- Develop entrepreneurial leadership
- Build a vibrant community of experienced business mentors
- Bridge the worlds of academia and business
- Create successful ventures

5

The Need

- Current economy puts additional demands on new ventures
- Speed of current product-to-market cycle means entrepreneurs have little time to learn
- Technologies emerging from university labs need help to reach marketplace
- Need for effective leadership among entrepreneurs to keep the global economy growing

6

VMS Mentoring is Based on Two Basic Concepts

- A fledgling venture is more likely to thrive when an idea, good business planning, and an entrepreneur are matched with proven skills and experience
- Successful entrepreneurs can be motivated to “give back” as mentors – and find the experience compelling and rewarding

7

What Makes VMS Successful?

- Focus on professional education: learning by doing
- Leverage of MIT’s education mission, reputation, and resources
- High mentor quality through personal referral and rigorous screening; becoming a VMS mentor is considered prestigious
- Strict ethical guidelines for mentors and entrepreneurs that creates an unbiased process
- Team mentoring builds a culture of quality, collegiality and trust



















8

VMS Top Six Guiding Principles

- Operate within MIT policies
- Encourage student entrepreneurs to complete study program
- Avoid conflict of interest
- Maintain confidentiality
- Can't be a mentor and an investor
- Can't be a mentor and a consultant or venture employee

9

MIT Entrepreneurial Activities

Student	Academic	Commercialization	Alumni
   <p>Entrepreneurship Society</p>    	 <p>MIT Entrepreneurship CENTER</p>  	 <p>Industrial Liaison Program</p>  <p>Technology Licensing Office</p>	
	 		
			

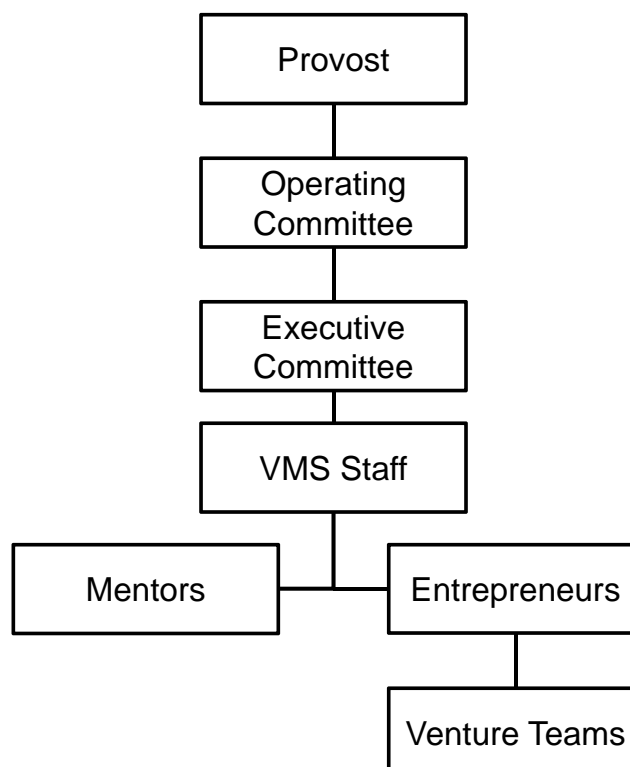
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VMS also works with

- Other universities
- Corporations
- Labs
- VCs and angels
- Lawyers, accountants, banks

11

VMS Governance



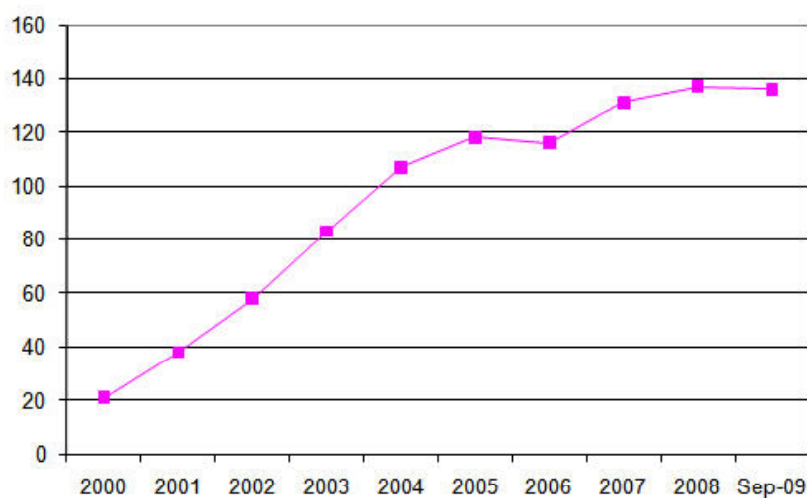
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How Does VMS Work? For Mentors

- Receive rigorous screening and orientation
- Commit to a minimum of 1-2 days mentoring a month
- Select the ventures they want to work with
- Attend monthly meetings to review active VMS ventures and to network
- Role: listen, advise, suggest, troubleshoot, supply contacts, act as role model
- Rewards: satisfaction of giving back, networking, exposure to young ideas, technologies, and entrepreneurs

13

VMS Mentor Pool



14

The Mentors*

- 55% with an MIT background
- Most with startup experience
- Broad range of:
 - Backgrounds
 - technical and industry expertise
 - business expertise

*as of 9/2009

15

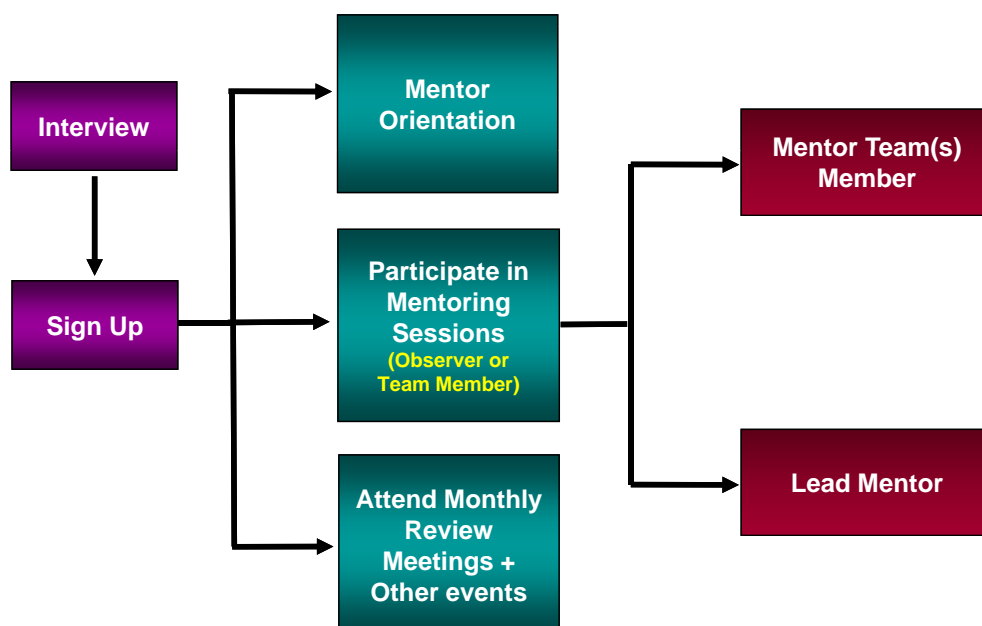
VMS Mentors Panel **Who's who**

16

VMS Mentor Panel – Why join VMS

17

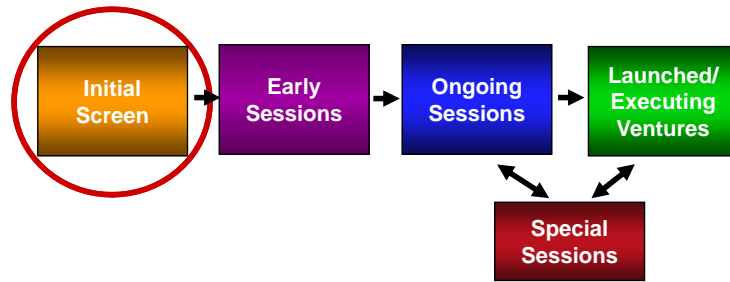
Mentor Development



18

Mentor Roles at each stage:

- Wide range of venture / entrepreneur states
- Entrepreneurs unsure of VMS role and value



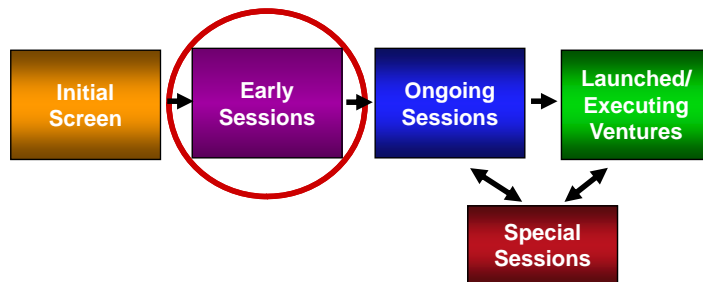
Intake Specialist

- Introduce VMS and process
- Set expectations / build relationship
- Assess entrepreneur's status / needs
- Assess venture status / needs
- Provide some initial advice/guidance
- Present at Monthly Mentor Review Meeting
- Identify and recruit appropriate mentors
- Attached until lead mentor engaged

19

Mentor Roles at each stage:

- Typically needs to identify and focus on critical factors
- Several sessions over 60-90 days, strategy and actions identified
- Mentor team coalescing, Lead mentor emerging



Intake Specialist

- Provide initial continuity for venture and mentor team
- Lead productive sessions

Mentor Team Member

- Engage, assess, contribute
- Focus on venture's critical needs
- Build personal relationship (with venture and mentor teams)

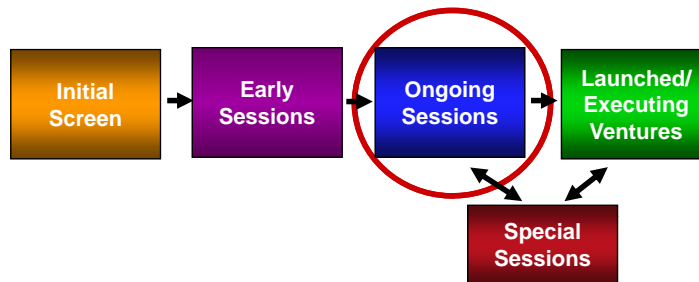
Lead Mentor

- Take over as principal point of contact from Intake Specialist
- Guide meetings – balance homework to reality
- Call on help as needed from office / mentor community

20

Mentor Roles at each stage:

- Key stage for progress by resolving / adjusting
- Many hurdles, setbacks, new information
- Meetings more sporadic, driven by milestones



Mentor Team Member

- Coach venture in setting targets and next steps
- Critique progress, suggest methods to improve
- Collaborate with mentor team

Lead Mentor

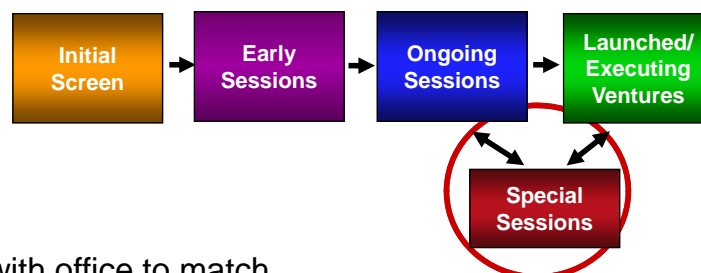
- Ensure meetings timely, productive for both ventures and mentors
- Check in on entrepreneurs between meetings
- Call on help as needed from office / mentor community
- May need to adjust mentor team as new skills needed for venture

21

Mentor Roles at each stage:

Lead Mentor – Mentor Team Member – Mentor Specialist

- Special events, milestones, crises, pinpoint help
- Brainstorming, Pitch Scrub, Tech Scrub, IP, market research, etc.



Lead Mentor

- Identify need, coordinate with office to match resources
- Guide venture team to prepare
- Gets needed preliminary material to resources

Mentor Specialist

- One time or limited engagement
- Expertise / knowledge / opinions / suggestions
- Collaborate with mentor team

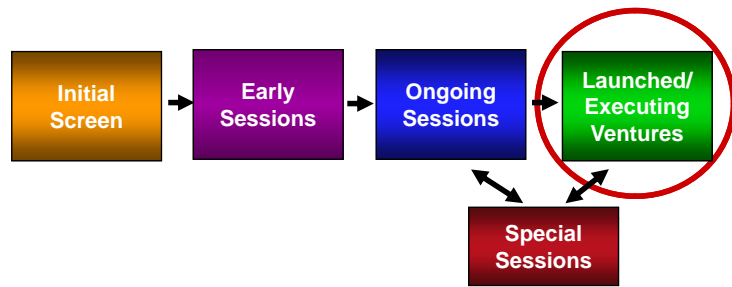
Team Member

- Participant and observer, exposure to other mentors

22

Mentor Roles at each stage:

- Off and Running - with full team, directors, advisors, investors
- New pattern of communication and needs



Lead Mentor

- Maintain connection – periodic contact / major updates
- Unbiased Ear – sometimes will need outside advice
- Call for special sessions – sometimes needed as approach major transitions
- Balance – our real client and relationship is the founding entrepreneur(s), sometimes delicate balance between their needs and the venture.

23

What mentors like

24

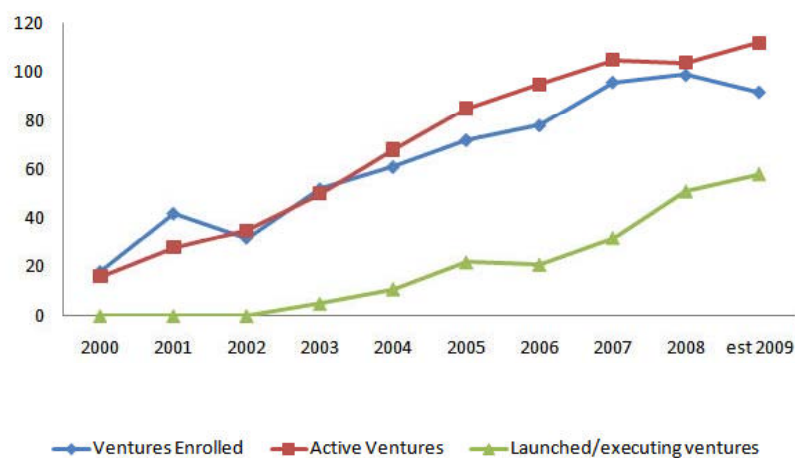
How Does VMS Work?

For Entrepreneurs

- Services are free and confidential – no conflict of interest, no strings attached
- Commitment to an entrepreneur is long-term
- Ventures/entrepreneurs are screened, assessed, and assigned a lead mentor/mentor team
- Entrepreneurs have access to a wide variety of professional resources, contacts, skills and seminars
- Entrepreneurs determine pace, drive communications

25

VMS Venture Activity



26

The Ventures*

- 219 ventures currently engaged in program
 - 95 active ventures
 - 57 launched/executing
- 7 liquidity events
- Various stages of funding
- Every field imaginable

*as of 9/2009

27

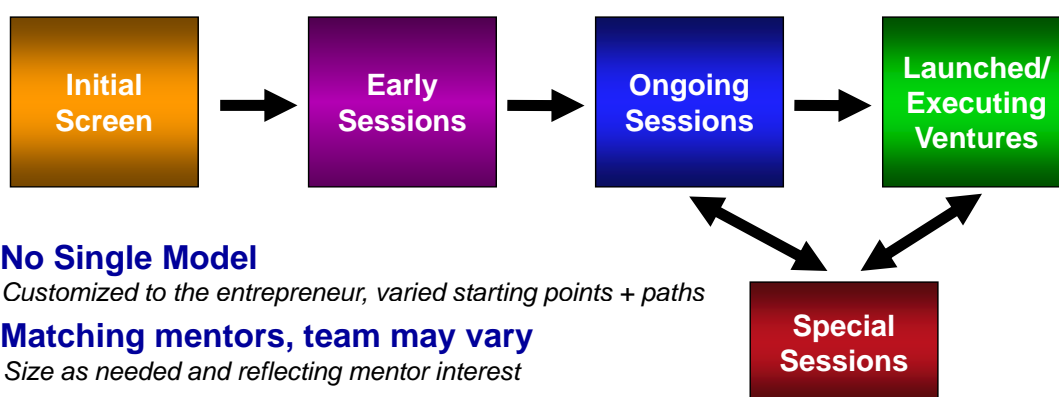
The VMS Entrepreneur

28

What Entrepreneurs get from VMS

29

Venture Development Process



- **No Single Model**

Customized to the entrepreneur, varied starting points + paths

- **Matching mentors, team may vary**

Size as needed and reflecting mentor interest

- **Some inefficiency**

Backtracking as new mentors engage

- **Advise and Guide**

The entrepreneur provides the “do”

- **Homework – this is MIT!**

Practical steps for the entrepreneur to get to the next step

- **Continuously adapting**

30

The Key: Building Trust

- No Strings Attached
 - Unbiased advice
- Arm's Length
 - Guard against any possible question of conflicts of interest
- Confidentiality
- Entrepreneur's Best Interests
 - While adhering to guidelines of VMS and MIT

31

VMS Evaluation Metrics

Mentoring Sessions

entrepreneurs rate each session

Program Quality – ventures

entrepreneurs rate overall value to them and their venture annually

Specific Services

entrepreneurs are called at random semi-annually for feedback

Program Quality – mentors

mentors are polled regularly on effectiveness of program

32

VMS Funding Base

- Original founding gifts of \$1 million
- Mentors' donation of significant time, energy, and expertise (over 8,000 mentor hours in 2008)
- Chairman, Director, and Co-Directors are volunteer positions
- Lean operations staff
- Involvement of hosting institution (MIT)

33

VMS Recognition

- 2003 Presidential Citation - MIT Alumni Association
- 2005 Kaufmann Foundation Grant to document and spread the program
- 2007 Monosson Prize for mentoring

34

Advice for Starting a Mentoring Program – Entrepreneur’s Perspective

35

Finally

- VMS supports the MIT mission – “The Institute is committed to generating, disseminating, and preserving knowledge, and to working with others to bring this knowledge to bear on the world's great challenges.”
- VMS makes an important contribution to MIT, MIT alumni and society as a whole

36

Summary

- VMS is based on the belief that:
a fledging venture is more likely to thrive when an idea, good business planning and an entrepreneur are matched with proven skills and experience
- Mentors find it compelling and rewarding
- Mentoring works best when un-biased and no strings attached
- Entrepreneurs value mentoring relationship

37

THANK YOU!

38